

Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 11275 111542Z

42

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 OES-03 L-03 SP-02 INR-07 ARA-06

/041 W

----- 027763

R 111328Z AUG 75

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 3187

INFO USDOC WASHDC

C O N F I D E N T I A L MOSCOW 11275

USDOC FOR BEWT/DOWNEY

E.O. 11652 GDS

TAGS: ETRD, EEWT, UR, US

SUBJ: STATE COMMITTEE FOR FORIEGN ECONOMIC RELATIONS AS A POTENTIAL
PARTNER FOR US FIRMS

REF: MOSCOW 11034

1. SUMMARY - IN FIRST PRACTICAL TEST OF UNEXPECTED INTEREST OF USSR STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS IN COOPERATION WITH US FIRMS (SEE REFTEL), COMMERCIAL ATTACHE ARRANGED MEETING FOR ALLIS-CHALMERS REP A. WASSERMAN AND J. HERTZFELD OF SAM PISAR'S PARIS OFFICE WITH STATE COMMITTEE OFFICIALS AUGUST 6 AND TOOK PART IN MEETING. ON SOVIET SIDE, MEETING WAS ATTENDED BY N.G. YAKUBOVZ (SEE REFTEL), HIS DEPUTY, G.I. KUZNETSOV, AND THREE REPRESENTATIVES OF TEKHNOPROMEXPORT, ONE OF FTO'S SUBORDINATE TO STATE COMMITTEE. DURING MEETING, YAKUBOV AND HIS ASSOCIATES TOOK VERY POSITIVE LINE ON POSSIBILITIES OF COOPERATION WITH FIRMS SUCH AS A-C. THEY ALSO PROVIDED SOME INDICATION OF BUREAUCRATIC MOTIVATION FOR STATE COMMITTEE'S EFFORT TO ESTABLISH TIES WITH US FIRMS. END SUMMARY

2. YAKUBOV OPENED DISCUSSION WITH OBSERVATION THAT STATE COMMITTEE HAD PREVIOUSLY HAD LITTLE OR NOTHING TO DO WITH US FIRMS. HE NOTED, HOWEVER, THAT SITUA-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 11275 111542Z

TION WHICH PREVIOUSLY RULED OUT SUCH CONTACTS HAD

CHANGED AS RESULT OF SUCCESSFUL CONCLUSION OF CSCE IN HELSINKI, WHICH CREATED CONDITIONS IN WHICH STATE COMMITTEE COULD NOW DEVELOP ITS CONTACTS WITH WESTERN FIRMS, INCLUDING THOSE FROM UNITED STATES. (COMMENT: IT WILL BE INTERESTING TO SEE WHETHER OTHER SOVIET ORGANIZATIONS WHICH PREVIOUSLY AVOIDED CONTACTS WITH EMBASSY WILL NOW BE MORE FORTHCOMING "IN SPIRIT OF CSCE." END COMMENT) YAKUBOV WENT ON TO EXPLAIN FUNCTIONS OF STATE COMMITTEE ALONG LINES ALREADY REPORTED (REFTEL). ON THIS OCCASION, HOWEVER, HE ALSO DISCUSSED STATE COMMITTEE'S RELATIONSHIP WITH OTHER SOVIET ORGANIZATIONS. HE POINTED OUT THAT THERE WERE ONLY TWO SOVIET ORGANIZATIONS AT GOVERNMENTAL LEVEL WHICH COULD ENGAGE IN FOREIGN TRADE, THE MINISTRY OF FOREIGN TRADE AND THE STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS. EACH BODY, HE NOTED, HAS GROUP OF FOREIGN TRADE ORGANIZATIONS SUBORDINATE TO IT WHICH IMPLEMENT ITS POLICIES. IN HIS DESCRIPTIVE NARRATIVE, YAKUBOV IGNORED ACTIVITIES OF STATE COMMITTEE FOR SCIENCE AND TECHNOLOGY (SCST), DESPITE FACT THAT A-C REP WASSERMAN HAD STRESSED EXTENT TO WHICH HIS COMPANY HAD DEVELOPED RELATIONS WITH SCST.

3. AS DESCRIBED BY YAKUBOV, COOPERATION BETWEEN AN AMERICAN FIRM AND STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS COULD DEVELOP IN TWO FASHIONS: (1) COMPANY COULD REACH SOME SORT OF GENERAL UNDERSTANDING WITH STATE COMMITTEE, PRESUMABLY THROUGH YAKUBOV'S OFFICE, WHICH WOULD SERVE AS BASIS FOR FURTHER, PRACTICAL CONTACTS WITH ONE OR MORE OF FTO'S FALLING WITHIN STATE COMMITTEE'S JURISDICTION; OR (2) COMPANY COULD WORK DIRECTLY WITH ONE OF FTO'S, USING SERVICES OF STATE COMMITTEE ONLY SO FAR AS NEEDED IN ARRANGING APPOINTMENTS, ETC. ALTHOUGH YAKUBOV EXPRESSED NO PARTICULAR PREFERENCE FOR ONE METHOD OR THE OTHER, IT WOULD BE LOGICAL TO ASSUME THAT ALTERNATIVE (1) WOULD BE MORE TO STATE COMMITTEE'S LIKING.

4. COMMENT- YAKUBOV'S REMARKS RAISE POSSIBILITY OF NEW FORM OF UMBRELLA COOPERATION AGREEMENT BETWEEN FIRMS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MOSCOW 11275 111542Z

SUCH AS A-C AND THE SOVIETS. IN THIS CASE, FIRM IN QUESTION AND STATE COMMITTEE WOULD AGREE ON POTENTIAL UTILITY OF COOPERATION ON PROJECTS IN THIRD COUNTRIES, PERHAPS WITH ENUMERATION OF INDUSTRIAL AREAS IN WHICH THESE PROJECTS MIGHT FALL. ON BASIS OF THIS AGREEMENT, FIRM WOULD THEN WORK ON SPECIFIC PROJECTS WITH ONE OF STATE COMMITTEE'S SUBORDINATE FTO'S. ALTHOUGH IT MAY BE SOME TIME BEFORE THE FIRST SUCH AGREEMENT IS

READY FOR SIGNATURE, WASHINGTON AGENCIES MAY WISH TO CONSIDER POLICY IMPLICATIONS OF SUCH A DEVELOPMENT, AS THIS COULD IMPLY, PARTICULARLY IN THIRD WORLD, ELEMENT OF US-SOVIET COOPERATION IN PLACE OF TRADITIONAL RIVALRY. AS PREVIOUSLY REPORTED (MOSCOW 11082), FIRST CONCRETE EXAMPLE OF THIS TYPE OF COOPERATION MAY ARISE IN CASE OF CHICOASEN HYDROELECTRIC POWER PROJECT IN MEXICO. ALTHOUGH SOVIETS (THROUGH FTO ENERGOMASHEXPORT) HAVE SUBMITTED JOINT BIDS WITH WESTINGHOUSE FOR HYDRO-PROJECTS IN UNITED STATES AND CANADA, OUR RECORDS DO NOT SHOW SIMILAR COOPERATIVE EFFORTS IN DEVELOPING COUNTRY SUCH AS MEXICO. END COMMENT.

5. IN TERMS OF SOVIET BUREAUCRATIC RIVALRIES, EMERGENCE OF STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS AS POTENTIAL PARTNER FOR WESTERN FIRMS ADDS THIRD ORGANIZATION TO AREA WHICH WAS PREVIOUSLY CHARACTERIZED BY FRICTION BETWEEN MINISTRY OF FOREIGN TRADE AND STATE COMMITTEE FOR SCIENCE AND TECHNOLOGY. IF YAKUBOV'S REMARKS ARE ANY INDICATION, STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS MAY WELL TURN OUT TO BE ALLY OF MINISTRY OF FOREIGN TRADE, WITH WHICH IT HAS NO BASIC CONFLICT OF INTEREST.
STOESSEL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MOSCOW11275
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750276-1135
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750864/aaaacene.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 MOSCOW 11034
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2003 by BoyleJA>; APPROVED <03 OCT 2003 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS AS A POTENTIAL PARTNER FOR US FIRMS
TAGS: ETRD, EEWT, BEXP, UR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006